

## Message Text

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ORIGIN STR-04

INFO OCT-01 EUR-12 IO-13 ISO-00 STRE-00 AGRE-00 CEA-01

CIAE-00 COME-00 DODE-00 EB-08 FRB-03 H-01 INR-07

INT-05 L-03 LAB-04 NSAE-00 NSC-05 PA-01 AID-05

SS-15 ITC-01 TRSE-00 USIA-06 PRS-01 SP-02 OMB-01

FEA-01 AF-10 ARA-06 EA-07 NEA-10 OIC-02 OPIC-03

SIG-01 /139 R

DRAFTED BY STR:MPOMERANZ:CTB

APPROVED BY STR:MPOMERANZ

WKRIST/KKUWABARA, COMMERCE

JSCHOTT, TREASURY

JSPIRO, STATE

RBOOTON/AHEARNE, DOD

RSCHULMAN, LABOR

SGERSHBEN, AGRICULTURE

LHAUGH, OMB

-----290617Z 044085 /17

P 282318Z APR 77

FM SECSTATE WASHDC

TO USMISSION EC BRUSSELS PRIORITY

INFO USMISSION OECD PARIS PRIORITY

USDEL MTN GENEVA PRIORITY

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E.O. 11652:N/A

TAGS: EEC, ETRD, MTN

SUBJECT: GOVERNMENT PROCUREMENT

REF: EC BRUSSELS 3773

1. AS MISSION IS AWARE WE HAVE BEEN FOLLOWING A TWO-TRACK

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APPROACH TO PROCUREMENT NEGOTIATIONS; (1) THE LONG-STANDING  
NEGOTIATIONS IN THE OECD TRADE COMMITTEE; AND, (2) THE NEWLY  
ACTIVATED DISCUSSIONS IN THE MTN SUBGROUP IN GENEVA. WE  
WILL CONTINUE TO WORK IN EITHER OF THEM WHEN WE SEE PROGRESS  
CAN BE MADE. REFTTEL CONFIRMS NINE ARE CLEARLY DISPOSED TO  
PUSHING CONVERSATIONS IN OECD. CANADIANS SEEM INCLINED TO  
AVOID THE OECD AT ALL COSTS IN FAVOR OF THE GENEVA TALKS.

2. IN REFTTEL AND EARLIER MESSAGES MISSION HAS NOTED THAT COMMISSION AGREED TO HOLD BILATERAL CONVERSATIONS WITH US ON CERTAIN ASPECTS OF THE CODE NEGOTIATION WHERE THEY WILL BE RESPONDING TO EARLIER U.S. PROPOSALS. THE REPORT THAT THE 113 COMMITTEE REFUSES TO PERMIT DERISBOURG TO PROVIDE US WITH THE NEW EC PROPOSALS, NOR ENGAGE IN BILATERAL TALKS ON THEM, WITHOUT ASSURANCES THAT THEY WILL BE DISCUSSED IN THE OECD IS QUITE DISTURBING. YOUR COMMENT FURTHER SUGGESTS THAT DERISBOURG FEARS OUR DESIRE FOR BILATERAL TALKS IS MERELY A U.S./CAN. PLOY TO KEEP DISCUSSIONS OUT OF OECD. WE CONCLUDE ADDITIONALLY THAT THE NINE WANT

TO FORCE US INTO OECD DISCUSSIONS EVEN THOUGH THEIR LATEST PROPOSALS MAY NOT WARRANT SUCH A MEETING, AND THEY WANTED TO DETERMINE FROM THE VISIT OF AMBASSADOR STRAUSS, THE U.S. COMMITMENT TO THE PROCUREMENT NEGOTIATION.

3. WE ARE INFORMED THAT COMMISSION DID NOT RAISE GOVERNMENT PROCUREMENT ISSUE DURING STRAUSS VISIT. WE ARE ALSO INFORMED THAT IN ANOTHER CONTEXT (CUSTOMS MATTERS) IN U.S.-EC BILATERALS COMMISSION UNDERLINED NEED TO DISCUSS ISSUES BILATERALLY BEFORE EXPOSING THEM IN LARGER FORUM. IN VIEW OF THESE DEVELOPMENTS IT WOULD APPEAR USEFUL TO RAISE THE PROCUREMENT ISSUE AT A COMMISSION LEVEL HIGHER THAN DERISBOURG AND TO USE THE FOLLOWING TALKING POINTS IN AN EFFORT TO EFFECT A CHANGE IN THE 113 COMMITTEE DECISION.

4. (A) THE U.S. CONSIDERS THAT GOVERNMENT PROCUREMENT IS LIMITED OFFICIAL USE

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ONE OF THE MOST IMPORTANT NTM'S TO BE ADDRESSED IN THE MTN; (B) AS THE TWO PRINCIPAL PARTIES TO THE MTN, IT IS ESSENTIAL THAT WE FOLLOW THROUGH ON EARLIER AGREEMENT TO CONSULT BILATERALLY ON IMPORTANT ISSUES BEFORE FLOATING PROPOSALS IN A WIDER FORUM; (C) WE HAVE MADE IT EMINENTLY CLEAR TO COMMISSION THAT WE WILL WELCOME AN OECD MEETING IF SOMETHING USEFUL CAN BE ACCOMPLISHED. SUCH A DECISION CANNOT BE MADE BY THE U.S. UNTIL WE ARE AWARE OF EC RESPONSES TO PAS U.S. PROPOSALS. IT WOULD ILL SERVE BOTH OF OUR INTERESTS IF THE U.S. WERE TO BE FORCED INTO A MEETING WHICH WOULD BE UNPRODUCTIVE, IF NOT COUNTERPRODUCTIVE. THE IMPORTANCE OF OUR SEEING THE EC PROPOSALS AND HOLDING A BILATERAL MEETING IS THAT WE CAN WORK TOGETHER TO PREPARE THE BASIS FOR A SUCCESSFUL MEETING IN THE OECD, IN WHICH PROGRESS CAN BE MADE IF THE EC PROPOSALS ARE THE CONSTRUCTIVE COMPROMISES DERISBOURG DESCRIBES THEM TO BE; AND, (D) EC HAS NO BASIS FOR ASCRIBING TO U.S. THE DISINCLINATION TO MEET IN THE OECD ASCRIBED TO THE CANADIANS.

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## Message Attributes

**Automatic Decaptioning:** X  
**Capture Date:** 01-Jan-1994 12:00:00 am  
**Channel Indicators:** n/a  
**Current Classification:** UNCLASSIFIED  
**Concepts:** GOVERNMENT PROCUREMENT, AGREEMENT DRAFT, COMMITTEE MEETINGS, REGIONAL ORGANIZATIONS, NEGOTIATIONS  
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**Disposition Approved on Date:**  
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**Disposition Date:** 22 May 2009  
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**Disposition History:** n/a  
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**Disposition Remarks:**  
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**Document Source:** CORE  
**Document Unique ID:** 00  
**Drafter:** MPOMERANZ:CTB  
**Enclosure:** n/a  
**Executive Order:** N/A  
**Errors:** N/A  
**Expiration:**  
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**Litigation History:**  
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**Message ID:** f8c02fa7-c288-dd11-92da-001cc4696bcc  
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**Original Classification:** LIMITED OFFICIAL USE  
**Original Handling Restrictions:** n/a  
**Original Previous Classification:** n/a  
**Original Previous Handling Restrictions:** n/a  
**Page Count:** 3  
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**Previous Classification:** LIMITED OFFICIAL USE  
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**Reference:** 77 EC BRUSSELS 3773  
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**Review Exemptions:** n/a  
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**TAGS:** ETRD, US, EEC, MTN  
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**Type:** TE  
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**Review Markings:**  
Margaret P. Grafeld  
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